

1 A Can I ask for some clarification?

2 Q Well, let me refer you to some documents that
3 were produced in document production regarding Mr. and
4 Mrs. Wade's financial situation. Let's see --

5 A Are you asking if he gave me that?

6 Q Personal -- yes. Did he give you --

7 A No, he did not give me that.

8 Q He did not give you that. Did you make any
9 phone calls while he was there visiting there with you
10 that day?

11 A No.

12 Q Did you sign a contract with Mr. Mims?

13 A No.

14 Q Did you pay him for his services in bringing
15 the FM station to your attention?

16 A No.

17 Q Did anyone?

18 A No. Did anyone pay him?

19 Q Yes.

20 A Oh, I don't know.

21 Q You don't know if Mrs. Wade paid him?

22 A Not to my knowledge.

23 Q Do you know if Mr. Girley paid him?

24 A Not to my knowledge.

25 Q Did he receive a commission for -- from anyone,

1 to your knowledge?

2 A Not to my knowledge.

3 Q Did -- to your belief, did he receive a
4 commission from anyone?

5 A Not to my belief.

6 Q He just did this out of the goodness of his
7 heart?

8 A I don't know why he did it.

9 Q Okay. When did you make the call to Mr.
10 Girley?

11 A I don't know exactly what date.

12 Q Okay. Let me back this up. After Mr. Mims' --
13 did you make any phone calls at all during Mr. Mims'
14 visit?

15 A No.

16 Q Okay. How long did the interview with Mr. Mims
17 last?

18 A About an hour and a half or so.

19 Q Did he bring any further documentation with
20 him?

21 A Yes.

22 Q Do you still have copies of those -- of
23 whatever it was --

24 A Articles.

25 Q Articles?

1 Dorothy Wade?

2 A At what time?

3 Q At the time you filled out the information on

4 the application.

5 A As to my knowledge, yes.

6 Q Okay. And did Mrs. Wade commit to \$203,000?

7 A Yes.

8 Q How did that amount come about?

9 A I don't recall exactly.

10 Q Did you have a budget for construction and

11 three months' operating expenses?

12 A Yes.

13 Q Where did you get the budget?

14 A Mr. Winston assisted me with the preparation of

15 that project.

16 Q And did he do that after you contacted him

17 concerning your interest in applying for the station?

18 A Yes.

19 Q And that would have -- did he send you

20 information?

21 A Yes.

22 Q Did he FAX information to you?

23 A Yes.

24 Q Did he Fed. Ex. any information to you?

25 A I believe so. I'm not sure.

1 Q That amount?

2 A Uh-huh.

3 Q To whom did they send the letter?

4 A To me, Northeast Florida Broadcasting.

5 Q Who requested the letter?

6 A I requested it through Dorothy Wade.

7 Q Did Dorothy Wade make the connection or the

8 contact with the bank?

9 A I believe so.

10 Q Does Dorothy Wade have an account at the bank?

11 A I'm not sure, I don't know for sure. I can't

12 recall that.

13 Q The bank is located in Kingsland, Georgia?

14 A Uh-huh.

15 Q But Mrs. Wade resides in Oakton, Virginia --

16 A Yes.

17 Q -- is that correct? Do you know whether she

18 has an account at that bank?

19 A I don't know whether she has an account at the

20 bank.

21 Q Did you contact Mr. Robby Bennett?

22 A No, I did not.

23 Q Who was it that decided -- let me put

24 it this way: Was Mrs. Wade prepared to lend you

25 the full amount that you have stated in -- as an answer to

1 Number 2 on that page, the full \$414,000 plus?

2 MR. WINSTON: Objection, it assumes facts not
3 in evidence.

4 BY MRS. MOLINE:

5 Q I'm asking whether Mrs. Wade was prepared to do
6 that.

7 A What I can say is Mrs. Wade is prepared to
8 provide \$203,000 as well as First Georgia Savings Bank
9 will provide \$500,000 on the -- on the assets of Dorothy
10 Wade, on the weight of Dorothy Wade.

11 Q Okay. Did you submit any information to First
12 Georgia Savings Bank?

13 A No. Can I just go back to that? Did I, as
14 Lillian Holt --

15 Q You personally, yes.

16 A -- or did Northeast Florida Broadcasting
17 Corporation?

18 Q Did you as Lillian Holt submit a personal
19 financial statement?

20 A No. A personal --

21 Q A personal financial statement?

22 A I submitted a personal financial statement.

23 Q To First Georgia Savings?

24 A I submitted it to Dorothy Wade.

25 Q Okay. And do you have any idea of the date

1 that you may have done that?

2 A I'm not sure, somewhere in between -- before
3 the deadline, application deadline.

4 Q Okay. And do you know whether Mrs. Wade -- did
5 you submit any information from Northeast Florida
6 Broadcasting to Mrs. Wade to submit to the bank?

7 A I don't recall -- I don't recall.

8 Q Okay. Do you recall whether you submitted a
9 Certificate of Incorporation to the bank?

10 A I don't recall that either.

11 Q Do you have any knowledge of what may have been
12 submitted to the bank by Mrs. Wade in connection with
13 obtaining the bank's commitment letter?

14 A Specifically, I couldn't say.

15 Q Did you have anything to do with getting the
16 financing from First Georgia Savings Bank?

17 A As Lillian Holt or Northeast Florida
18 Broadcasting Corporation?

19 Q Either way.

20 A As Northeast Florida Broadcasting Corporation,
21 no.

22 Q And what was your role as Northeast Florida
23 Broadcasting Corporatoin?

24 A As the president and -- of the corporation.

25 Q Well, what did you do?

1 A I submitted the application.

2 Q You submitted the ap- -- this application to
3 the bank?

4 A Oh, to the bank?

5 Q Yes.

6 A I didn't submit this application to the bank,
7 no.

8 Q Okay. As Northeast Florida Broadcasting
9 Corporation, did you have any role in obtaining the
10 commitment letter from the First Georgia Savings Bank?

11 A I don't recall exactly.

12 Q Would it be fair to say that Mrs. Wade arranged
13 for the financing from First Georgia Savings?

14 A It would be fair.

15 Q Do you have a written commitment from Dorothy
16 Wade to pledge \$203,000 to Northeast Florida Broadcasting
17 Corporation?

18 A Yes.

19 Q Is that amount the same amount that she is
20 pledging to pay for her stock?

21 A Could you repeat that?

22 Q Is the \$203,000, is that what Mrs. Wade is
23 paying for her stock in Northeast Florida?

24 A I don't recall that that is -- that's --

25 Q That that's the amount?

1 information that Mr. Winston sent you that you could run a
2 station with fewer than five full-time employees?

3 MR. WINSTON: I fail to -- she said she
4 couldn't, and that's why she answered, yes, she's
5 going to have more than five.

6 MRS. MOLINE: Okay. I'm sorry. I had the
7 right answer. Must be the tuna.

8 BY MRS. MOLINE:

9 Q Okay. Who arranged for the public notice?

10 A I did.

11 Q Okay. And was that in the Jacksonville daily
12 newspaper? Is it the --

13 A Florida Times-Union?

14 Q Florida Times Union. How did you go about
15 locating an antenna and transmitter site for your station?

16 A Clyde Girley provided that service for me.

17 Q Okay. Do you know whether he himself located
18 the site or did he obtain the services of a site location
19 firm?

20 A I don't recall exactly, but the application
21 does document something to that effect.

22 Q Okay. Are you referring to a -- a letter
23 from -- or a document from Telsa, Inc.?

24 A Yes, I am.

25 Q Okay. We'll get to that a little bit later.

1 Did you yourself contact Henson Boyd?

2 A No, I didn't.

3 Q At the time that you -- did you fill out the
4 information regarding numbers one, two, three --

5 MR. WINSTON: On which page?

6 BY MRS. MOLINE:

7 Q On Page 24, Section 7.

8 A I don't recall.

9 Q You don't recall whether you filled in the
10 boxes?

11 A Right.

12 Q Okay. Do you have any independent knowledge of
13 whether Mr. Boyd owns the transmitter site?

14 A Do I have independent knowledge?

15 Q Uh-huh.

16 A I can't say I do.

17 Q What are the little x's for on the left-hand
18 side of the page next to Numbers 2 and 3 and the name of
19 person contacted?

20 A I don't recall.

21 Q Did you put those x's there?

22 A I don't recall.

23 Q Is that your handwriting?

24 A That's not a handwriting.

25 Q Well, do you make x's that way?

1 Q Since the filing of the application or before?

2 A Before.

3 Q Did you contact them in connection with the
4 application?

5 A Not specifically.

6 Q Okay. Were the Commission's requirements
7 regarding local residence explained to you by Mr. Mims?

8 A Yes.

9 Q And what was your understanding of what -- what
10 the Commission -- is it your understanding that the
11 Commission prefers local residents?

12 A Is it my understanding now?

13 Q Was it your --

14 A Yes.

15 Q Well, let's back it up. It is now --

16 A Uh-huh.

17 Q -- is that correct? Was it your understanding
18 after speaking with Mr. Mims that the Commission preferred
19 local residents?

20 A Yes.

21 Q Okay. Did he explain why they prefer local
22 residents?

23 A Yes.

24 Q And what was the explanation?

25 A I don't know if this is it specifically, if I

1 Q Since the filing of the application or before?

2 A Before.

3 Q Did you contact them in connection with the

4 application?

5 A Not specifically.

6 Q Okay. Were the Commission's requirements

7 regarding local residence explained to you by Mr. Mims?

8 A Yes.

9 Q And what was your understanding of what -- what

10 the Commission -- is it your understanding that the

11 Commission prefers local residents?

12 A Is it my understanding now?

13 Q Was it your --

14 A Yes.

15 Q Well, let's back it up. It is now --

16 A Uh-huh.

17 Q -- is that correct? Was it your understanding

18 after speaking with Mr. Mims that the Commission preferred

19 local residents?

20 A Yes.

21 Q Okay. Did he explain why they prefer local

22 residents?

23 A Yes.

24 Q And what was the explanation?

25 A I don't know if this is it specifically, if I

1 could recall exactly, but it's so that the one would have
2 the knowledge of the community in which it would be
3 serving.

4 Q Okay. You're a resident of Jacksonville?

5 A Yes.

6 Q Have you ever resided in Baldwin?

7 A No.

8 Q Do you know anything about Baldwin?

9 A Very little.

10 Q Okay. Did you ever talk to your husband about
11 applying for the FM station?

12 A Yes.

13 Q Were you still married at the time the
14 application was filed?

15 A Yes.

16 Q Did he have any interest in applying for the
17 station?

18 A Did he personally?

19 Q Uh-huh.

20 A No.

21 Q Did he oppose your application?

22 A No.

23 Q Would it be fair to say that you undertook this
24 on your own --

25 A Yes.

1 characterization?

2 A Right. Based on this, yes.

3 Q Okay.

4 MR. WINSTON: You looked at the whole letter?

5 BY MRS. MOLINE:

6 Q How was it decided that Dorothy Wade would hold
7 all the non-voting stock?

8 A I can't say for sure how it was decided.

9 Q Did Mrs. Wade initially wish to hold voting
10 stock in Northeast Florida?

11 A No.

12 Q She did not? Why not?

13 A I can't say why she didn't.

14 Q Were you willing to permit Mrs. Wade to hold
15 voting stock in Northeast Florida?

16 A No.

17 Q Why not?

18 A Because I wanted to have full control over the
19 station.

20 Q Do you not consider that majority control is
21 full control?

22 A I believe there's some variances in that
23 otherwise I wouldn't have been able to do this.

24 Q Isn't it correct that the sole reason you
25 wanted 100 percent voting control of the corporation was

1 suggested that 4,000 of the amounts to be contributed by
2 you and she to the corporation be capital contribution and
3 that the remainder be a loan?

4 A I can't say for sure who initiated that. We
5 discussed it in detail.

6 Q And what was the substance of that discussion,
7 what were the details? Did you discuss getting more from
8 Mrs. Wade by way of capital contribution?

9 A I'm not clear on what you're saying.

10 Q You had to have put in 1,000 by way of capital
11 contribution with the corporation; is that correct?

12 A That's what we agreed upon.

13 Q Okay. Have you loaned any funds to the
14 corporation?

15 A Could you be a little bit more specific?

16 Q Have you personally loaned any funds to the
17 corporation?

18 MR. WINSTON: You're distinguishing between
19 loans and investment?

20 MRS. MOLINE: Loans and -- yes, capital
21 contributions is distinguished from loans. Okay. I
22 don't consider a capital contribution to be a loan.

23 MR. WINSTON: I think that was the confusion.

24 THE WITNESS: Anything above the \$1,000, you're
25 saying?

1 BY MRS. MOLINE:
2 Q Right.
3 A No.
4 Q Okay. What security have you agreed to in
5 connection with this loan from Mrs. Wade?
6 A None, to my knowledge.
7 Q You have not pledged your stock?
8 A Not to my knowledge.
9 Q This is a completely unsecured loan?
10 A To the best I know, it is.
11 Q Does this loan agreement have any provisions
12 regarding default?
13 A I don't recall seeing anything in it about
14 default.
15 Q What happens if you don't pay Mrs. Wade back?
16 A I don't recall seeing in the agreement
17 regarding that.
18 Q I didn't ask you that. I asked you what
19 happens if the corporation defaults in payments back to
20 Mrs. Wade.
21 A I can't answer that.
22 Q Have you and she discussed the matter at all?
23 A No, I guess -- no, we haven't. I'm pretty
24 optimistic.
25 (Off-the-record discussion.)

1 MRS. MOLLINE: Okay. Could we just quickly
2 refer back to the First Georgia letter?

3 MR. WINSTON: Dated December 12th.

4 BY MRS. MOLINE:

5 Q And is it dated December 12th?

6 MR. WINSTON: Yes.

7 A Uh-huh.

8 Q Okay. And does that letter from First Georgia
9 require personal guarantees?

10 A No, not from me.

11 Q Does it require a personal guarantee from Mrs.
12 Wade?

13 A I don't know if it's saying that, but I would
14 think it would.

15 Q Why do you think that?

16 A Because they're basing this letter on the
17 strength of Dorothy Wade's financial status or whatever.

18 Q Uh-huh. Does that letter not refer to the FAX
19 that she could provide -- she has enough assets to make
20 the loan herself?

21 A I guess that's what it's saying, uh-huh.

22 Q Was that letter provided to prove that Mrs.
23 Wade herself had sufficient assets to make a loan in the
24 amount of half a million dollars?

25 A I don't -- I can't answer that question for

1 you?

2 A I think that has some merit to it, uh-huh.

3 Q Is that the basis for your equity decisions?

4 MR. WINSTON: Equity decisions?

5 BY MRS. MOLINE:

6 Q The respective equity decisions of the
7 shareholders.

8 A Yes, I think that would be fair.

9 Q Will it be expected that you will make further
10 capital contributions or will have further exposure with
11 respect to the expenses associated with the corporation in
12 connection with your 25 percent equity?

13 A Could you --

14 MR. WINSTON: Further beyond what?

15 MRS. MOLINE: Beyond her \$1,000 commitment for
16 capital contribution.

17 THE WITNESS: Well, based on the documents in
18 front of me and agreement -- loan agreement, no.

19 BY MRS. MOLINE:

20 Q No? So your \$1,000 will be the entire exposure
21 that you have in connection with the corporation, the
22 entire cash exposure that you have; is that correct?

23 A In terms of this package of information, yes.

24 Q Yes.

25 A (Witness nods head.)

1 Q If you ever sell the station, what percentage
2 of the profit are you going to get back from the sale?

3 A I can't answer that right now. I couldn't say
4 for sure.

5 Q Why can't you answer that right now?

6 A Because I can't predict what will happen, what
7 the situation will be like if that -- if we decide to sell
8 the station. I don't know what changes would have been
9 made in any type of agreement.

10 Q Do you anticipate that there will be future
11 agreements and changes in your current agreements?

12 A I can't say that, I don't know for sure. Right
13 now I just go by what we have here.

14 Q Have changes in your current shareholders
15 agreement been discussed?

16 A No.

17 Q Have they been mentioned?

18 A No. Well, we're mentioning them, yeah.

19 Q Other than at this deposition?

20 A Unh-unh.

21 Q Have you and Mrs. Wade discussed changes in your
22 respective equity positions?

23 A No.

24 Q If you were to sell -- suppose you had a
25 station on the air and sold it tomorrow, what would you

1 A No, not to my knowledge.

2 Q And did you feel better after speaking with
3 him?

4 A Yeah, a little.

5 Q Is there any reason you didn't call Mr. Winston
6 to get the same information?

7 A Lawyers charge by the hour for telephone calls,
8 anything.

9 MRS. MOLINE: All right. I have no further
10 questions. Mr. Halagao.

11 MR. WINSTON: Let's take a two-minute break.

12 (Brief recess.)

13 CROSS EXAMINATION

14 BY MR. HALAGAO:

15 Q I have a couple of questions here. Ms. Holt,
16 when you met Mr. Mims, you have indicated in your
17 testimony that you don't know where he's from, you don't
18 know where -- you know he's -- who he is. Did you ask for
19 any resume', at least, or something from him to indicate
20 who this person is?

21 A Yes.

22 Q So you have a copy of the resume'?

23 A No.

24 Q But you have -- I mean you requested for a
25 resume' from him?

1 A No.

2 Q So when you said that you -- yes, did you ask --
3 request for a resume'?

4 A No.

5 Q So the answer to my question, then, that you
6 did not have a resume' from Mr. Mims to indicate who the
7 person is?

8 A Correct.

9 Q Okay. Why did you not ask for a resume' when
10 a stranger comes along and asks you to apply for a radio
11 station?

12 A Resumes' can be fabricated just like anything
13 else.

14 Q Okay. Now, even with that resume', would you at
15 least be more cautious to ask him where he's from and
16 where's he working and what is his profession and whether
17 he is the person he is?

18 A Yes.

19 Q Okay. But you indicated in your previous
20 testimony that you don't know where he is calling from,
21 you don't know where he is from, you don't know whom he's
22 working with --

23 A Correct.

24 Q -- is that correct? Okay. Do you know for a
25 fact that Mr. Mims knows Mrs. Dorothy Wade?

1 Q When did you decide -- that was when Mr. --
2 after the interview with Mr. Mims, right?

3 A This has been something I've always wanted to
4 do.

5 Q Ever since when?

6 A Ever since 1970, '75.

7 Q Your loan agreement with -- the corporation's
8 loan agreement with Mrs. Wade of \$200,000, it does not
9 provide for any collateral that are guaranteed that she'll
10 be paid; is that correct?

11 A Best of my knowledge, yes.

12 Q Which means that if the radio station would not
13 succeed, her \$200,000 is lost; isn't that correct?

14 A That seems right, yes.

15 Q And you know for Mrs. Wade to invest \$200,000
16 in your corporation -- what would you think would be her
17 reason behind her to make such an investment?

18 A Confidence in me.

19 Q Excuse me?

20 A Confidence in me.

21 Q Confidence in you?

22 A Yes.

23 Q And how long did Mrs. Wade know you as a
24 businesswoman or a manager skilled to run the station,
25 how long has Mrs. Wade known you?

1 A She didn't know me that well.

2 Q She didn't know you that well?

3 A Unh-unh.

4 Q But she's willing to put in \$200,000 just
5 because she has confidence in you; is that correct?

6 A That's what I can say. You would have to ask
7 Mrs. Wade why.

8 Q Okay. And did you submit any activities that
9 you had or any position that you had as a businesswoman to
10 Mrs. Wade that you can run the radio station?

11 A Yes.

12 Q You submitted to Mrs. Wade a list of managorial
13 skills that you had to run a corporation or a business
14 entity; is that correct?

15 A When you say submit, could you be a little bit
16 more specific?

17 Q Well, like maybe you had your experience as
18 you run a corporation in the past or anything that would
19 make Mrs. Wade have that confidence in you.

20 MR. WINSTON: Okay. I think the witness'
21 question was -- when she asked with respect to when
22 you said submit, did you mean by a written document
23 or article presentation?

24 BY MR. HALAGAO:

25 Q A written document?

1 A No, I don't recall that.

2 Q You have not issued any stock certificates yet
3 for your corporation, did you?

4 MR. WINSTON: That question's been asked and
5 answered. Is that a lead-up to another question?

6 MR. HALAGAO: Yes.

7 MRS. MOLINE: I don't think that that's -- I
8 think I asked were stock certificate issued, she said
9 she didn't know. He asked did she issue any of the
10 stock certificates.

11 MR. WINSTON: Were you making that distinction?
12 I stand corrected, then.

13 BY MR. HALAGAO:

14 Q Ms. Holt, normally when you set up a
15 corporation, one of the things that you do is to order a
16 seal of certificates to issue to people that buy your
17 stocks. How come until now, from December 1989 up to the
18 present time, it is now 1991, you have not issued any
19 stock certificates yet?

20 MR. WINSTON: Objection, that wasn't the
21 question. She said she didn't recall, which was the
22 question she responded to before, she said she didn't
23 recall whether she had.

24 BY MR. HALAGAO:

25 Q Okay. Well, I will ask now: Do you have any

EXHIBIT 3

ORIGINAL TRANSCRIPT OF PROCEEDINGS

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

-----X
: IN RE APPLICATIONS OF: : MM Docket No. 91-10
: :
: CHARLEY CECIL & DIANNA MAE WHITE : File No. BPH-891213M
: c/b/a WHITE BROADCASTING PARTNERSHIP :
: :
: PEACHES BROADCASTING, LTD. : File No. BPH-891214MN
: :
: SAGE BROADCASTING CORPORATION : File No. BPH-891214MR
: OF JUPITER, FLORIDA :
: :
: DOUGLAS JOHNSON : File No. BPH-891214MZ
: :
: NORTHEAST FLORIDA BROADCASTING : File No. BPH-891214NA
: CORPORATION :
: :
: JEM PRODUCTIONS LIMITED PARTNERSHIP : File No. BPH-891214ND
: C/O JOYCE MORGAN :
: :
: FOR CONSTRUCTION PERMIT FOR A :
: NEW FM STATION ON CHANNEL 289A :
: IN BALDWIN, FLORIDA :
: :
-----X

DEPOSITION OF DOROTHY A. WADE

Washington, D. C.

Wednesday, June 26, 1991

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